

**SAMPLE LETTER TO CREDITORS**  
(No ability to pay – short-term situation)

Use this sample letter to write your own letters.

<p>Start the letter by saying what you are writing about →</p>	<p>Dear (name of Creditor):</p> <p>You contacted me recently about a debt of \$ _____. Here is my situation.</p>	
	<p>I have two kids, age 3 and 5. I get \$ _____ every month from social assistance and family allowance.</p>	<p>← Tell them about your income and how many people it supports.</p>
<p>Your expense list shows that there is no money left to pay debts after meeting basic living costs →</p>	<p>My monthly expenses are \$ _____. A list is attached.</p>	
	<p>I also owe \$ _____ to (name of creditor) and \$ _____ to (name of creditor)</p>	<p>← Tell them if you owe anyone else money. If there are too many debts to list in the letter, include a separate list.</p>
<p>This is a more polite way of saying “Don’t call me, I’ll call you” →</p>	<p>As you can see, I have no money left to repay my debts. When, and if, my situation changes, and I can repay, I will contact you to make arrangements.</p>	
	<p>If you wish, I will give you a monthly update of my situation.</p>	<p>← The collector’s job is to pursue people for debts that are not paid. If you keep the collector updated, it means less work for the collector and fewer phone calls to you about the debt.</p>
	<p>Yours very truly,</p> <p>Your Name</p>	

**SOME TIPS ON WRITING YOUR LETTER:**

Creditors do not have to accept your proposal. However, there are certain things you can do to get their cooperation.

1. **Be Polite.** Ask for your creditor’s help, rather than telling them what to do
2. **List all debts.** Incomplete, or inaccurate information will reduce creditor cooperation.
3. **Explain your problem clearly.** If the reason for your financial troubles is because of illness, unemployment, or other misfortune, mention this in your letter.
4. **Keep in touch.** Let the creditors know if anything changes in your life that would affect your ability to maintain your payments. If something goes wrong, let the creditors know right away. If something odd happens, let the creditors know you’ll be able to pay off your debts sooner.

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